

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 209 of 1994

For Approval and Signature:

Hon'ble MR.JUSTICE B.C.PATEL and  
MR.JUSTICE R.R.JAIN

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COMMISSIONER OF INCOME TAX

Versus

NIYUPURINE PLASTICS PVT. LTD.

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Appearance:

MR MANISH R BHATT for Petitioner  
SERVED for Respondent No. 1

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CORAM : MR.JUSTICE B.C.PATEL and  
MR.JUSTICE R.R.JAIN

Date of decision: 11/07/96

ORAL JUDGEMENT

(Per B. C. Patel,J.)

At the instance of the Revenue, the following question is referred to this Court under Section 256(1) of the Income Tax Act, 1961 : -

"Whether, the Appellate Tribunal is right in law and on facts in directing the I.T.O. not to deduct the amount of subsidy received from the cost of assets for the purpose of calculating depreciation and investment allowance ?"

2. The Tribunal decided the controversy following the decision of this Court in the case of CIT Vs. Grace Paper Industries Pvt. Ltd. reported in (1990) 183 ITR 591. This case is also covered by the decision of the Apex Court in the case of CIT Vs. P.J.Chemicals, reported in 210 ITR 830. Hence, the question is required to be answered against the Revenue and in favour of the Assessee. Accordingly, we answer the question in favour

of the Assessee and against the Revenue. This reference is disposed of accordingly with no order as to costs.